



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

April 19, 2004

Jerry Stocks
1531 Murphy Lane
Moab, UT 84532

Subject: State Mineral Lease 48874, Jerry Stocks, Unpermitted Operation,
S/019/056, Grand County, Utah

Dear Mr. Stocks:

The Division of Oil, Gas and Mining understands you have obtained lease ML-48874 from the School and Institutional Trust Lands Administration (SITLA) with the intent of mining this area for humic shale. This lease is in the E $\frac{1}{2}$ NW $\frac{1}{4}$ and the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 14, Township 22 South, Range 19 East, SLBM. We also understand you received approval from SITLA to proceed with this project conditioned upon approval from the Division of Oil, Gas and Mining.

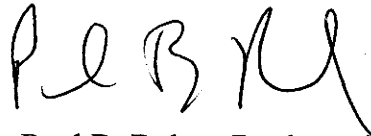
A map received from SITLA indicates your mine would disturb five acres. For an operation disturbing five acres or less, we require that, *before mining begins*, you submit a Notice of Intention to Commence Small Mining Operations (blank copy enclosed), a permit fee of \$150, and a reclamation bond together with a reclamation contract.

The reclamation bond is \$5000 for the first acre and \$3000 for each additional acre, so the amount required for a five-acre site is \$17,000. This can be submitted in the form of a surety, an irrevocable letter of credit, a certificate of deposit, or cash. If you submit a cash bond, please be advised that there will be a maintenance fee charged by the State Treasurer. The Division of Oil, Gas and Mining and SITLA would need to be named as beneficiaries on the bond. When you choose the form of surety you will post, please contact Joelle Burns at (801) 538-5291 or e-mail joelleburns@utah.gov to obtain the current forms, or you may obtain them on the internet at www.ogm.ut.gov.

Jerry Stocks
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If you have questions about these requirements, please call me at 801-538-5261. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', with a stylized flourish at the end.

Paul B. Baker, Reclamation Biologist
Minerals Regulatory Program
Utah Division of Oil, Gas and Mining

PBB:jb
Enclosure: MR-SMO
cc: John Blake, SITLA
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